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Farm Broadcasters Letter



Letter No. 2198

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IF PRICE & INCOME SUPPORTS ELIMINATED

What would happen if the new Farm Bill eliminated price and income supports? Some economists with the U.S. Department of Agriculture came up with some of these results in a newly released USDA study. Producers would be forced to gear output to market demand for their products. Production of program commodities would be as much as one-third lower than under a price and income support program. As much as 30 million acres of the more marginal, higher cost land would not be cultivated if supports were eliminated. The value of farm assets and farmer equity could decline more sharply than income with the abolition of supports. Land values would fall sharply initially. Farm input industries would experience an initial drop and slower growth in sales of their products in this environment. Food prices would increase at possibly two-thirds the pace likely under supports. This slower growth in retail food prices would translate into a \$20-billion lower food bill by 1990. This is one of two extreme alternates discussed in the study. (Broadcasters can get a free copy by writing to: EMS Publications, Room 0054-South, USDA, Washington, D.C. 20250. Ask for "Possible Economic Consequences of Reverting to Permanent Legislation or Eliminating Price and Income Supports.")

IF FARM BILL REVERTS TO PERMANENT LEGISLATION

Suppose the new Farm Bill reverted to the interventionist programs of the 1930's. The government's role would be increased in setting commodity prices and farm incomes substantially. What would happen? According to economists of the U.S. Department of Agriculture, in an extensive study just released, such a program would generate a sizable increase in farm output that the market would be unable to absorb at parity-linked prices. Much of the expanded output would have to be acquired by USDA in order to clear the market. In the 1980's slump, reminiscent of the abundant supplies and weak prices of the 1960's, the farm sector would move toward increased dependence on Government programs to support incomes well above market-clearing levels. Consumers would face \$20 billion per year in added food costs by 1990. Higher commodity prices would slow growth and reduce the volume of products moving through the system to the domestic and export markets. (Broadcasters can get a free copy by writing to: EMS Publications, Room 0054-South, USDA, Washington, D.C. 20250. Ask for "Possible Economic Consequences of Reverting to Permanent Legislation or Eliminating Price and Income Supports.")

USSR CANCELS SALES

Private exporters reported to the U.S. Department of Agriculture the cancellation of export sales of 200,000 metric tons of hard red winter wheat for delivery to the USSR during the 1984-85 marketing year and under the second year of the Long Term Grain Supply Agreement. Sales of wheat and corn to the USSR for delivery during the second year of the Agreement now total 14,236,700 tons, of which 3,131,800 tons is wheat and 11,104,900 tons is corn.

LAND SWAP

The U.S. Department of Agriculture's Forest Service and the U.S. Department of Interior's Bureau of Land Management announced a proposal to swap management of about 30-35 million acres of land and underlying minerals. According to Sec'y of Agriculture John Block, "This proposal would enhance public service and improve administrative efficiency." The administrative interchange would be followed by a legislative proposal to transfer the involved land and underlying management responsibilities between the two agencies. The acres involved are in: Arizona, Calif., Colorado, Idaho, Montana, Nevada, N. Mexico, Oregon, Utah, Washington and Wyoming.

CATTLE ON FEED IN 13 STATES

Cattle and calves on feed Jan. 1, 1985, for the slaughter market in 13 quarterly states totaled 10.6 million head, 7 pct. more than the previous year and 4 pct. above 1983, according to the U.S. Department of Agriculture. Placements of cattle and calves on feed during Oct.-Dec. quarter totaled 7.56 million head, 4 pct. greater than the same quarter in 1983 and 5 pct. more than the fourth quarter total in 1982. Marketings of fed cattle for slaughter during Oct.-Dec. 1984 totaled 5.51 million head, an increase of 1 pct. from fourth quarter marketings in 1983 and 2 pct. above 1982.

RED MEAT PRODUCTION

Commercial red meat production for the U.S. in Dec. 1984 totaled 3.12 billion pounds, down 8 pct. from Dec. 1983, according to the U.S. Department of Agriculture. Production during 1984 totaled 39 billion pounds, virtually unchanged from last year. The 1984 accumulated production percentage changes by individual components were: Beef, up 2 pct.; veal, up 11 pct.; pork, down 3 pct.; lamb and mutton, up 1 pct.

EXOTIC NEWCASTLE - AGAIN

Exotic Newcastle disease was confirmed in a pet bird in Tampa, Fla., according to the U.S. Department of Agriculture. The bird, a gray-cheeked parakeet, died as a result of the disease. State and federal officials are tracing the bird's movement through commercial channels. They're also testing birds in nine states--Arizona, Florida, Louisiana, Mass., Missouri, S. Carolina, Texas, Virginia and Wash.--that may have come in contact with the sick parakeet.

HAVE ANOTHER EGG...OR FOUR

The U.S. laying flocks produced 6 billion eggs during Dec. 1984, up 5 pct. from the 5.77 billion produced a year ago, according to the U.S. Department of Agriculture. Production included 5.43 billion for table or commercial type egg and 611 million for hatching eggs.

FROM OUR
TELEVISION
SERVICE

"1985 Farm Bill"...Sec'y of Agri. John Block outlines some of the major concepts that will be contained in the proposed 1985 Farm Bill. Vic Powell interviews. (306)

"1985 World Wheat Outlook"...Exports of U.S. wheat will be the second highest on record in 1985. USDA analyst Frank Gomme focuses on the 1985 outlook for U.S. wheat exports. Jim Johnson interviews. (307)

"Chinese Agriculture"...USDA economist Frederick Crook describes some of the reforms instituted by China to improve its agricultural output, and how this will affect trade with the U.S. Vic Powell interviews. (308)

"Federal Crop Insurance Update"...Ronald Ence with USDA's Federal Crop Insurance Corp. comments on some of the recent changes taking place underk this program, land how these changes will affect farmers. DeBoria Janifer interviews. (309)

"Rice Industry"...USDA economist Barbara Stucker takes a look at the future of the rice industry--where it's headed in terms of structure, yield, varieties and availability. Lynn Wyvill interviews. (310)

FEED GRAINS
FOR RESERVE

Feed grain producers with maturing 1984-crop barley, corn and sorghum regular loans may place their crops in the farmer-owned reserve, according to Sec'y of Agriculture John Block. Producers with 1984-crop oat regular loans may place their crops in the reserve if the oat reserve is not in release status when the regular loan matures. The oat reserve is currently in release status. Current provisions will apply--a storage rate of \$.265 per bushel for corn and barley, \$.20 per bushel for oats and \$.4732 per hundredweight for sorghum, and no reserve minimum. For further details, producer should contact their county Agricultural Stabilization and Conservation offices.

NEW EC
COMMISSIONERS

Effective Jan. 1, 1985, new European Community Commissioners were installed to manage the EC's affairs in Brussels for the next five years, according to the U.S. Department of Agriculture. Jacques Delors, a former French finance minister, was named president of the 14-member Commission, succeeding Gaston Thorn. Taking over the position of Commissioner for Agriculture is Frans Andriessen of the Netherlands, who is one of the holdover members from the previous Commission. Former West German State Sec. for Agriculture, Hans-Jurgen Rohr was designated special advisor to Commissioner Andriessen.

CORN IN
S. AFRICA
& YUGOSLAVIA

South Africa's 1984/85 corn production in S. Africa is estimated by the U.S. Department of Agriculture at 6.5 million tons, 1 million or 13 pct. below the USDA January estimate, but 46 pct. above the drought-devastated 1983/84 crop. The size of this year's harvest remains highly dependent on weather during the next several weeks. Yugoslavia's 1984/85 corn estimate is a record 11.3 million tons, 5 pct. above a year ago and 1 pct. above the previous record crop of 1982/83.

OFF MIKE

Timing is everything. I called Al Gustin (Meyer Broadcasting, Bismarck, ND) to see if he would like to be on live feed of a press conference about the USDA Forest Service/BLM administrative exchange for a considerable number of acres in the Western part of the country. In the course of the conversation, Al reported the temperature was minus 20 degrees F. and expected to hit minus 30 that night. Then he said he was looking forward to a trip to Hawaii to attend the national Nat'l Assn of Conservation Districts meeting Feb. 4-7 there. He would be there to receive the NACD Communicator of the Year Award. Can't think of a nicer place to receive it, can you? ... Speaking of trips, Cork McHargue (WTHI, Terre Haute, IN) reports he will be leading a tour of 50 farmers to Spain and Portugal in March for 15 days. Another case of "tough duty" ... Many of you know Dennis Daily for his radio work in USDA's Animal and Plant Health Inspection Service. Dennis is now putting his talents to work fulltime with UPI Radio, in fact started there Jan. 28. He says his work will be general in nature but he hopes to start doing some work in the agricultural field, too ... Sherry Newell (WJON, St. Cloud, MN) has a new co-worker. She is Donna Schmidt, and she is a December graduate of the agriculture journalism program at South Dakota State University ... And we've learned that Bob Baker will be leaving KMMJ, Grand Island, NB, Feb. 15, to take Dave Sylvester's place at KOEL, Oelwein, IA. Dave is retiring. Bob's replacement at KMMJ will be Rod Hiser, who is a native Nebraskan and new to broadcasting ... Finally (and we apologize in advance), James Koehler (KYCK, Crookston, MN) had this comment in a recent letter, "There's a rumor going around that a local dairyman is installing vibrators on the floor of his barn. He feels he should be able to produce ice cream in the winter. Probably no truth to it at all." (Like we said, "Sorry, 'bout that.")


FROM OUR RADIO
SERVICE

AGRICULTURE USA #1444...(Weekly 13½ min documentary) Consumers now have a variety of exotic fruits and vegetables to choose from at their supermarkets. Brenda Curtis visits a supermarket and takes an expert along who has tips on how to serve some of these exotic foods.

AGRITAPE/FARM PROGRAM REPORT #1433...(Weekly reel of news features) USDA news highlights; The big land swap; Herding with dogs; The electronic egg.

CONSUMER TIME #926...(Weekly reel of five 2½-3 min features) Supermarket evolution; Fats and oils in your diet; Futuristic fabrics; Spaghetti squash; Saving injured wild animals.

USDA RADIO NEWS SERVICE...Thurs, Feb. 7, Inputs outlook (fertilizer and energy); Fri, Feb. 8, Horticultural product exports; Mon, Feb. 11, U.S. crop production, World ag. supply and demand, Soviet grain outlook, Cattle numbers, Grain and rice stocks report; Tues, Feb. 12, Crop and weather update; Wed, Feb. 13, Vegetable situation report. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EST each working day.


JAMES L. JOHNSON, Chief
Radio-Television Division